

**SET-ASIDE LETTER**  
**[B&P §11013.2/.4]**

RE 600I (Rev. 3/99)

**TO — “DEPOSITORY”**

NAME OF DEPOSITORY

California Department of Real Estate

ADDRESS, CITY, STATE, ZIP CODE

320 W. 4th Street, Suite 350, Los Angeles, CA 90013-1105

**BORROWERS — “SUBDIVIDER”**

NAME OF SUBDIVIDER

ADDRESS, CITY, STATE, ZIP CODE

For value received, we hereby agree that the amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) (“Funds”) is irrevocably committed and set aside by us in a separate account (No. \_\_\_\_\_), under our control to secure the prompt and faithful performance of the Subdivider’s obligation under Part One, Paragraph 3 of the Purchase Money Security Declaration and Instructions to Depository (herein “the Declaration”) dated \_\_\_\_\_, \_\_\_\_\_ attached hereto and made a part hereof. This set aside letter is issued for the purpose of compliance by the Subdivider with the provisions of California Business and Professions Code Sections 11013.2 and 11013.4.

We acknowledge that the Subdivider has granted a security interest in the Funds to secure the obligation described above. Issuer further acknowledges and agrees that the Funds cannot be used or offset to satisfy the Subdivider’s obligations to the Issuer, if any.

This set-aside letter shall be delivered to the Depository for the benefit of persons purchasing subdivided lands from the Subdivider.

This set-aside letter shall not be released or exonerated unless and until the first of the following has occurred: (i) the Limitation Period, as defined below, has expired without any suit or action having been filed; (ii) a judgment of liability on this set-aside letter that exhausts the amount of the Funds is satisfied; or (iii) entry of a final judgment or order by a court of competent jurisdiction determining that this set-aside letter is released and exonerated.

We shall pay to the Depository an amount up to but not in excess of the funds then available for disbursement pursuant to this letter, if the Depository makes a request for such funds accompanied by a statement, purportedly signed by a Deputy Real Estate Commissioner, as follows:

“I certify that I am a Deputy Real Estate Commissioner and that remittance to Depository in the amount of \$\_\_\_\_\_ is hereby requested on the Set Aside Letter issued \_\_\_\_\_, \_\_\_\_\_ by \_\_\_\_\_ (Issuer). This request is made in compliance with instructions to Depository heretofore duly executed and delivered to Depository, pursuant to the provisions of Sections 11013.2 or 11013.4 of the California Business and Professions Code, by Subdivider \_\_\_\_\_.”

In case of a judgment or an arbitration award issued in an action or proceeding conducted between Subdivider and any claimant which directs that the Claimant shall be paid all or some of the Funds, then, upon receipt by us of a certified copy of the judgment or award, that portion of the Funds specified in the judgment or the award, to the extent the funds have not previously been disbursed pursuant to this set-aside letter, shall be paid to the Claimant or to its order for the purpose of satisfying the judgment or award.

We shall be fully protected in making payments: (a) in reliance upon requests therefor from the Depository, or (b) in reliance upon a judgment or an arbitration award, and we are not responsible for the proper use of the Funds so disbursed.

In no case will the Depository or any Claimant be obligated to repay to us Funds disbursed to the Depository or the Claimant pursuant to the provisions of this set-aside letter.

Issuer does hereby waive any right granted to Issuer to require that the Claimant proceed independently against Subdivider to enforce this obligation, but reserves to itself any right to require that Claimant proceed jointly against Subdivider and Issuer in any such action.

This set-aside letter and the rights and duties of the parties shall be binding upon and shall inure to the benefit of the successors in interest, assigns, and personal representatives of the respective parties.

A suit or action on this set-aside letter must be filed within four (4) years after the last sale or lease or offer to sell or lease of any lot or lots in the subdivision by the Subdivider, or an extension of such four year term given in writing by the Subdivider to a Claimant and assented to by us ("Limitation Period").

Our obligations under this set-aside letter are unconditional and shall not be abrogated or otherwise affected by the bankruptcy of the Subdivider, by any stop notice (except a bonded stop notice), tax assessment or levy, attachment, execution or other legal process against Subdivider nor by the breach by Subdivider of any obligations to us.

*Dated:* \_\_\_\_\_

\_\_\_\_\_  
*Issuer's Name*

\_\_\_\_\_  
*By*

\_\_\_\_\_  
*Name of Person Signing*

\_\_\_\_\_  
*Title of Person Signing*

\_\_\_\_\_  
*Address*

\_\_\_\_\_  
*City, State, & Zip Code*